

# The Copper Market and Stocks

## Walker's Copper and Financial Letter

## Outlook of the Metal Market from an Authority— Foreign Exports For April Increasing

Copper continues to show a heavier tendency. Lake is now 15 1/4 to 15 3/8, and electrolytic is 15 1/8 to 15 1/4 cents per pound. The domestic demand is fairly active, but the disposition is to buy only for immediate or near-by future delivery. The London market has been under constant pressure, the selling of Standard, which has touched the lowest quotations of the year, having had the appearance of bearish speculative operations. Best selected is firm at £71. 10s, however, which is equivalent to just under 15 1/2 cents per pound. The foreign visible supply is showing no increase, and the export movement is again increasing somewhat. China is once more a considerable buyer of copper in this country. Authorities are beginning to predict that April exports will be heavy enough to make the total of the first four months equal to the unprecedented record scored in the corresponding period a year ago.

It is positively known that there has not been an accumulation of unsold copper in the hands of producers. Students of the trade situation estimate that domestic consumption and exports are absorbing every pound of copper that is coming from the mines at the present time. The strikes now on at three Lake Superior mines will, if they continue, reduce the output of that district 2,500,000 pounds monthly. In the present condition of the market this will prove no inconsiderable item.

There is nothing in sight to warrant pessimistic feeling or doubt concerning the immediate future of the metal market. It is known that a great many consumers are devoutly wishing for slightly lower prices, and that they will buy heavily if the opportunity desired presents itself. They must buy sooner or later, however, regardless of price.

Discouragement continues to be felt locally because of the failure of copper to join to a larger degree in the activity and strength that has so long characterized the railroad and industrial stocks that are traded in on the New York Stock Exchange. The arguments that the advance in the price of copper entitles our copper to a large share of the speculative attention, that Boston traders are rich and anxious to join in a movement as soon as one is started, that the companies whose stocks are listed here are in splendid financial condition and certain to pay larger dividends this year and that the way the coppers are held makes them especially attractive purchases, are all concerned, but still the activity doesn't come.

This does not mean that the advance in the price of copper has not been recognized by the stock market, as some writers have thoughtlessly asserted. Most coppers have gained from 50 per cent to 300 per cent from the low prices they reached as a result of the break in metal quotations

three and a half years ago. As recently as the closing months of 1903, for instance, Amalgamated broke to 33 3/4, Anaconda to 14 1/2, Atlantic to 7, Allouez to 3, Bingham to 20 1/2, Utah to 22, Wolverine to 54, Tamarack to 75, Quincy to 80, Osceola to 43, Calumet & Hecla to 400, Old Dominion to 5, Centennial to 12, and Copper Range to 30 1/2. These prices certainly look extremely low as compared to the present level; but they represented panicky conditions, loss of public confidence and the fierce competition of the unfortunate and foolish as sellers.

Though coppers are selling at very much higher prices at present, they have reached this level without any over speculation—almost no speculation at all, in fact. They have made their gain, chiefly on investment buying. Only a very few of them are as yet selling up to what should properly be called their full value; and it must be remembered that as a rule, boom times carry security prices just as far above actual values as panic periods force them below their proper level. There is not one real good reason for doubt that we are entering upon a period of broad and active speculation in copper shares, and there are many reasons for the belief that we are.

One of our successful floor traders said Wednesday: "We are at last beginning to get our copper market. Amalgamated is the leader now, and

one stock after another will follow. After awhile the buying will extend to the entire copper share list. I have more confidence in the coppers than at any time in the past." I endorse this trader's view, and I believe coppers should be bought—especially the dull and neglected ones.

The disturbed labor conditions in the Lake Superior mining district may cause temporary heaviness in a few of the copper stocks. There are strikes on now at the Franklin, Wolverine and at two of Osceola's three mines. It is not improbable that other companies may be affected a little later on. At the worst, however, the result will be only a little loss of time and production, and possibly a slightly higher wage scale in the future. If the Lake mining companies could be assured of a continuance of present metal market conditions they would be found very ready to advance the already high standard of wages paid.

Amalgamated has been one of the market leaders this week. Some time ago I expressed the opinion that the inside interests had determined to vindicate themselves of the charge made against them by causing Amalgamated stock to again sell above its flotation price of \$100 per share. It would certainly appear now that this is to be done. Good market authorities believe that it would not only be an easy matter to put Amalgamated

stock above par, but that a lot of money could be made on the operation.

There can be no question that Amalgamated has been making splendid profits for some time past. It will be remembered that Boston & Montana distributed \$7,500,000 in December, by the declaration of one \$50 dividend. Practically all of this went to Amalgamated. Parryet has resumed quarterly dividends of 50 cents, and now the report comes from good sources that Anaconda will pay \$1 instead of 50 cents semi-annually. This should put Amalgamated in shape to pay \$1.25 to \$1.50 quarterly, and there is good basis for the belief that copper will sell high enough in the future to warrant the continuance of such a dividend rate on the stock indefinitely.

A further increase in the Amalgamated would naturally stimulate other coppers. It is my opinion that some of the Boston coppers are more attractive purchases than Amalgamated at current prices. Notwithstanding difference of values, however, Amalgamated seems to have the middle of the road for the moment, and I think those who want to speculate will find it a good purchase (using stop-loss orders) on every reaction for some time to come.

Calumet & Arizona's annual report for the year 1904 will prove agreeable reading for its stockholders. Analyzed, it shows that the company produced

31,638,660 pounds of copper and \$195,826 in gold and silver, and earned \$1,082,518 net. Out of this, \$1,300,000, or \$6.50 per share, was distributed as dividends. The company's balance sheet shows an excess of assets amounting to \$1,823,992.

Carefully made deductions indicate that the ore treated during the year had an average value of \$20.31 per ton, that operating costs amounted to \$12.13, and net profits to \$8.18 per ton of ore. As the ore yielded an average of 154 pounds of fine copper to the ton, which was sold at an average of 12.56 cents per pound, the copper cost 7.57 cents per pound, including construction. What the cost of construction amounted to is not stated in the report.

On the basis of last year's operations, Calumet & Arizona should earn this year, with a 15-cent copper market, at least \$2,400,000, equivalent to \$12 per share on its stock. If its average is kept up to 154 pounds of copper, its net profit per ton of ore treated will amount to better than \$19 this year, a showing that can be equalled or exceeded by but few of the world's big mines. In view of the fact that the average yield of its ore for the year 1903 was 177 pounds of fine copper to the ton, however, it is not improbable that 1905 may witness a still further reduction in the grade.

GEO. L. WALKER.

## Mackenzie's Letter From Copper Country

## Feeling in Michigan Centers Regarding Bonanza Circle Properties Located in the Warren District

Calumet, Mich., April 13, 1905.

The directors of the Bonanza Circle companies are having the annual meeting here now. It will be remembered that the annual reports just issued dealt with company doings for the calendar year 1904 and up to Jan. 1, 1905 only, so that it is probable some news of the past three months' doings will be get-at-able after today's meeting.

Brokers report the past week quite uninteresting and inactive in Bonanza Circle stocks but they insist that some pronounced activity in all stocks must be looked for very soon. They say this month has always been an active one in previous years and they don't see why this should prove an exception as all conditions are favorable for a reasonable advance.

The failure of the Fuller Brokerage company the past week not af-

fected local trading, though quite a few persons, customers of that company, have suffered substantial losses. The weather here has now turned quite springlike and the last of the snow is disappearing rapidly.

Spring, gentle spring, has brought us a condition, which is quite a novelty in this section of the country, in that several of the local mining companies have strikes on their hands.

The local officers of the Miners' Union declare that the employees of the individual companies affected are out, not under orders from the Union, but solely under their own initiative and to secure adjustment of differences peculiar to the individual properties in each instance. Many of the miners on strike are not union men, indeed, it is probable that only one-half of the underground men here belong to the Union.

The strikers ask for but slight ad-

vance in pay and it will probably be granted. There has been some talk of a general strike but the better informed assert that this will not transpire.

Many new properties are being floated here both local and foreign. Three or four Mexican properties having agents here, Duluth people seem to have bought heavily in the North Butte proposition and this probably is in part the cause for small interest in the Bonanzas the past week.

Will the combined efforts of the Junction and C. & P. pumps serve to let down the water in the latter property. Even the C. & P. knockers here hope it will and there is a strong belief locally that the C. & P. will soon begin "searching things" below the present horizon of activity in that property.

This sort of result will have a wide

spread bearing on all the ground in that part of the Circle and if C. & P. makes good it is certain to lift up every stock on the list.

The present share price on C. & P. seems large money to risk in a proposition which many say has not yet shown the ore but there seems little doubt in the minds of the best posted ones that the C. & P. will promptly handle the water and that it is certain to disclose heavy ore bodies at least in the section of its ground lying between the Lowell and Junction shafts.

Both L. S. & P. and P. & D. have been sold to some extent the past week but it really seems a weakness to let these fine stocks go at present prices when one considers the fine showing underground.

The unlisted market is fairly steady with the demand P. & D. by far the best we have ever witnessed. The

balance of the list is offered more freely than bid for except the C. & A. and good sized stocks of this issue would be taken at 105 1/2. L. S. & P. is 44 asked with little trading reported and C. & P. is 38 asked with only a small demand. Duluth continues to sell P. & D. and taking C. & P. in a small way but the most of the selling is to protect the North Butte subscriptions. We have not heard of any transactions in North Butte today, but the price is still firm at 25. Don't get scared in the least about the selling in P. & D. The very fact that there is such a good demand for the realizing sales is a bull card on it. You can't mention one thing against the future of this property. They have one body of ore which has been proven 200 feet in length and 300 feet in width and they are not to the end of it yet. Every one acknowledges they have more in sight today than

L. S. & P. and the capitalization is \$50,000 less than that company and the stock is selling 20 points less.

Get your holdings in this company before it starts up. Duluth people are anxious to sell. Three years ago they were just as anxious to sell L. S. & P. development at 23 to 30 and paid dearly for their impatience. Now they are changing the tried and true for a new venture and may be you will be able to sell your P. & D. back to them at higher figures. Duluth today is the best trading town in the circuit; they are speculators everyone of them and market values do not cut any figure. Our people are investors and this is a first class investment market. P. & D. may sell a point lower but it just as surely will sell 25 points higher. Which is the best gamble? Wait and lose 25 points or get in now and risk a drop of one point.

### THE GENERAL CONDITION.

The past week has witnessed no startling developments in the steady operations being conducted in the district. There has been no cessation at the producing mines and the smelters at Douglas are kept supplied with their usual shipments. The Calumet & Arizona will probably exceed their copper output this month by a few tons and the C. & P. may be expected to do likewise. Not until the additions to each plant at present in course of construction are completed, need any large percentage of increase be expected. Last month the Copper Queen smelter broke the record for the United States and stepped into first place with a production of eight million pounds. This will in the near future be increased to better than eleven millions pounds and probably more before the close of the year. The Copper Queen smelters, even with the addition for three new furnaces, will not have reached the plans for this immense reduction plant as originally drawn.

Unless all signs fail the American Development company is fast making ready to enter the active development company lists. They are quietly gathering together some of the most promising claims in the vicinity of the Junction and Saginaw and the last quotation of the stock was \$30 but has since been withdrawn from the market.

In the Bonanza Circle there is a steady grind with the expectation of having other shafts besides the C. & A. ready to begin shipments to the reduction plant in May. When we stop to consider that the C. & A. alone has paid over a million dollars in dividends during 1904, the outlook is exceedingly bright for double that amount when L. S. & P., P. & D. and Junction begin to add their quota to the ore pile carried at Douglas.

While everything is in the best condition possible at the Bonanza properties still the past week has been one of stagnation in the stock market. Every thing slumped off and from the close yesterday evidently the end is not yet. Something is wrong or over bought at the other end, meaning Duluth and Calumet. The condition has been blamed on North Butte, the new company organized last week and no doubt this has had a great deal to do with the condition, but this much is certain, the mines were never showing better and nearing their production stage and that must be the real gauge of the stock market after all.

### IN CALIFORNIA DISTRICT

At the Chiricahua Development in the triple compartment shaft they have cut a station at the 400-foot level and are now drifting 700 feet westerly to make a connection on the Juh's canyon side with the double compartment shaft called the Mars and are now in the drift about 100 feet; besides, they are still sinking on both shafts to the 500-foot level, where they will make another connection. In the Mars shaft they have ore from the top of the ground and between the 300 and 400-foot depth they have run through a deposit of sulphides from 40 to 70 feet in thickness.

The Manhattan Development expects to begin actual work this coming month on the Rieder & Smith groups. They have bonded and have ordered machinery some time ago. The Duluth and Minnesota capitalists have just paid the \$28,000 remainder of the Sullivan group and hope to begin active development very soon.

The second payment due on the Copperopolis ground has been paid this month by Mr. E. L. Sweeney here.

The Savage Development company (a Chicago company), of Round Valley, has had about 15 to 16 men employed all winter and they are gradually buying up a large group of claims. Their principal shaft and tunnel work is on the Snowball, which runs well in silver and copper, in white quartz and feldspar.

The Smith group of copper claims, joined to the Holborn group of copper claims, was lately purchased by H. Lewandowski, who is the general manager of the Savage Development company.

H. Holborn is running a tunnel about 100 feet on the top of the 500-foot ledge, which runs in copper ore at almost across the entire width of the Cummings, and on the Jefferson, he has several large showings, one of which is 70 feet across, which assays eight and one-half per cent copper and gold and silver values from the surface. Being in the center of two natural springs, one of which flows through these two claims, the rich indications show a mountain of copper.

William May, adjoining the Savage Development company on the north of Round Valley, has some very valuable property, the principal one being the Humboldt, which shows very rich ore at a depth of 60 feet.

Parties are leasing the claims of Gallien & Forest, just above the north era outlet of Round Valley.

Over the mountain the Cochise Consolidated Copper company expects to put in a concentrator plant and sink a shaft on the Alsworth 500 feet in depth and are now down over 100 feet. They have a fine showing on the Duplex and Treasury claims, where they have spent considerable money prospecting the past winter.

Scanlon & McClellan, on Horace mountain, have a four-foot ledge of copper sulphide which assays from 14 to 30 per cent at a depth of 120 feet.

The Eagle City group, which has been developed by Bisbee capital, is bonded by Denver parties.

Cave Creek is coming to the front with silver and lead properties and the Epley Brothers have bonded their copper mines to Douglas capital for two years.

Frank M. Murphy, who was a Bisbee visitor the first of the week, president of the Development Company of America, talks interestingly of the several mining propositions now being handled by himself and associates.

Mr. Murphy states that the Imperial holdings are showing up some wonderfully large and rich ore bodies, the extent of which gives unmistakable assurance that the mine will be a good producer for years to come, the present reserve of ore being such as to guarantee the installation of modern paraphernalia that marks the successful operation of the mines of the day. The Poland mine in Yavapai county is also looking well and its output will be immediately increased by adding greatly to its working force. At the famous old Congress mine is evidences of prosperity, recent ore bodies having been revealed that warrant the belief that the Congress will again come to the front as a generous producer of precious metals. While Mr. Murphy thinks well of the properties above referred to, he unhesitatingly states that his confidence in the future of Tombstone is strengthened with each succeeding day, the development revealing the fact that large and valuable ore deposits do exist underneath the subterranean lake that in early days made the successful operation of these mines look so uninviting. But since this great body of water has been made to yield to scientific methods, there no longer remains any doubt in the minds of the management of the Tombstone Consolidated company as to the ultimate result of deep mining thereabouts, and acting upon the knowledge acquired while exploiting

to a depth of 800 feet, a mammoth pump will be installed at the present depth and sinking and drifting continued on down to the 1200 foot level.

Upon the success of this company much depends the future of this immediate district, and we are pleased to learn that no relaxation in the development work here will be entertained by the company, but on the contrary, renewed activity will be a noticeable feature on the old Contention Hill, imbuing all with confidence to make further exertion in the mineral field, which can not but have a tendency to invite others into our midst, producing a unity of thought, impelling to labor as one in an endeavor to develop the boundless resources which have been instrumental in bringing Tombstone so prominently before the eyes of the commercial world.

Everybody places confidence in Mr. Murphy's opinion on matters pertaining to mining, an opinion which has not failed the public heretofore, a confidence in whose integrity and ability has caused the old Tombstone to double his energy and renew his faith in the old camp.

Gen. Alger and party, who arrived in the private car "Michigan," are inspecting the work of the company today, and share with Mr. Murphy the general confidence in the mineral resources of the district.

### AMERICAN DEVELOPMENT AND PROSPECTING.

At a meeting of the American Development and Prospecting Co. held yesterday it was decided to send three men to the property of the company adjoining the Iron King at Jerome. These men are R. A. Battenfeld, J. W. Pitts and J. G. Battenfeld. They are all well known Bisbee miners. It is proposed that they shall go to work sinking the shaft that the company has started just as soon as the weather conditions will permit. When work was recently stopped at the 50-foot level so much trouble was being had with water running into the shaft from the surface and from seepage that it was not practical to continue operations at that time. Since then there has been little abatement in rains in the north, and it is not anticipated that work can be resumed in the shaft under a couple of weeks. The work will be under the direction of H. C. Harsha, of this city, one of the principal holders in the company. It is the intention to sink the shaft to the 200 level as soon as possible. The belief is that this depth will get ore in paying quantities. A crosscut will be run from the 200 level. If the ore body is not then in the shaft will continue on down. The determination to go ahead on the property was given strength at yesterday's meeting by a report read by E. L. Ish,

who lately explored the ground, at the same time making a report on the Copper Chief property adjoining, for which there is at the present time some lively bidding in progress on the part of a couple of eastern syndicates that are after the property. The report of Mr. Ish was as follows:

"The claims belonging to the American Development and Prospecting Association, in the Verde-Mining District, are on the same contact as the United Verde mine. This contact is a dike of sand carbonates, heavily pregnant with hematite of iron; is a well defined dike with a porphyry foot wall, and the hanging wall has a streak of lime shale one hundred feet in width and a thin streak of sandstone between shale and blue lime. This contact is visible for more than six miles. Has practically no development work of any depth. Where a depth of from 80 to 100 feet has been obtained there has been encountered copper sulphides carrying good values in gold, silver and copper, which shows an increase in value with depth. Iron sulphides and copper pyrites show in the surface workings from 20 to 40 feet in depth. On this group of claims there is a possible chance that there is a cross contact or fissure, as Iron King and Copper Chief run east and west, and about three-fourths of a mile from this property, and on the same spur of the mountain, but cuts off this contact, and some sand carbonate dyke cropping again about 1500 feet further south, which gives a possible chance of there being a cross contact at this point, which being the case is favorable to this property. This property is favorably located from the contact to the east the way the dyke dips."

### GOVERNMENT WANTS PLATINUM

Owing to the increased demand for platinum, the United States geological survey is about to make an examination of the platinum resources of the United States. It is proposed to collect the heavy sands from all placer mines in the United States where evidences of platinum have been observed. The samples thus obtained will be used in determining the best methods of extracting the various minerals which have economic value. It is hoped that the separation and sale of these useful minerals, such as magnetite, chromite, garnet, monazite, rutile, zircon, gold, platinum, etc., will in many places become a permanent and useful industry.

As a preliminary step to this investigation, the survey invites the owners of placer deposits to contribute for examination samples of material likely to contain platinum. These samples, which should be sent by mail, must weigh not more than four pounds

each. It is suggested that the gravel be concentrated before it is mailed. Careful note should be made on the package, or in a letter accompanying it, of the total quantity of original gravel for the purposes under investigation. The sand should be dry when mailed and great care should be exercised to pack it securely, preferably in a canvas bag, for transmission through the mails. Each package of sand should be accompanied by exact information as to the name and post-office address of the sender, the name of the mine or claim from which it came, and the state, county, city, village or district in which the deposit is located. It is desirable that the owner of the deposit should state what efforts have previously been made to separate platinum from his sand or from other sands in the neighborhood. After the survey has made an examination of these samples, government where preliminary tests give evidence of platinum. The expert will report on the size of the deposit, and ment experts will be sent to all local superintend the collection of representative samples for concentration.

### CALUMET & PITTSBURG.

The surface work being carried on at all of the Bonanza properties was seriously hampered during the past week by the continued rain storms. Especially was this so at the Calumet & Pittsburgh where much surface work is in progress in connection with the swinging over of the railroad track of the E. P. & S. W. at that point preparatory to continuing its sinking in the Hootson shaft which has just been started. It is expected that the moving of the track will be accomplished tomorrow, however. Water handled at the C. & P. remains the same without any increase.

### C. & A. SMELTERS.

There is a sense of relief at the C. & A. smelters this week for the reason that the car of tools from the Wisconsin Bridge Construction company has at last arrived. This car, which has delayed the construction work on the addition to the smelters, was on the road since February 13 and was received at Douglas on April 14, just one day over two months. Since its arrival the construction work has been resumed, and as the other material is arriving daily now, there will be no more delays until the additional furnaces are announced ready for business sometime next month.

LOST—A Japanese five-dollar gold piece. Finder return to Hermitage saloon, and receive \$5 in American money.